

VZCZCXYZ0000
RR RUEHWEB

DE RUEHMU #1243/01 2841713
ZNR UUUUU ZZH
R 101713Z OCT 08
FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 3242
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 001243

STATE FOR WHA/CEN, EB/IFD/OIA AND L/CID-KOBAR, LANDSIDLE
STATE FOR WHA/EPSC
STATE PLEASE PASS TO USTR
TREASURY FOR INL AND OWH

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)
SUBJECT: NICARAGUA: ATTORNEY GENERAL ESTRADA AGREES TO A BILATERAL
REVIEW IN DECEMBER

REF: A) MANAGUA 1120, B) 07 MANAGUA 2324, C) 07 MANAGUA 2442, D) 07
MANAGUA 2581, E) MANAGUA 1186

[1](#)1. (U) This cable contains an Action Request in Paragraph 5.

SUMMARY

[1](#)2. (SBU) During the Ambassador's September 30 courtesy call on Attorney General Hernan Estrada, Estrada agreed to conduct a bilateral review of the treatment of claims subject to the Section 527 Foreign Relations Authorization Act of FY 1994 and 1995 on December 4-5. The Ambassador urged Estrada to quicken the pace of claim resolution and increase contact between our working-level staffs. The Ambassador pressed Estrada to resolve U.S. claims that attracted U.S. Congressional interest, as well as those properties that remain under government control. Estrada was cordial, but misrepresented basic facts about the GON's policies and procedures, many of which we will want to raise in the bilateral review.

BILATERAL REVIEW IN DECEMBER

[1](#)3. (U) On September 30, the Ambassador paid a courtesy call on Attorney General Hernan Estrada. The occasion provided an opportunity to survey the landscape of pending U.S. citizen claims against the Government of Nicaragua (GON). The Ambassador obtained agreement to hold a bilateral review, as outlined in the Secretary's July 29 letter to Foreign Minister Samuel Santos (ref A). The DCM, Economic Counselor, and Property Officer also participated. The Attorney General was the only GON official.

[1](#)4. (SBU) Estrada readily agreed to a bilateral review of the GON's property claims policies and procedures during the first week of December (ref A). The Ambassador said he will confirm specific dates and the delegation members as soon as he could. The Ambassador said there are many issues we have to discuss in the bilateral review; The DCM flagged serious concerns about the GON's dismissal of 146 U.S. citizen claims based on Decrees 3 and 38 and for administrative reasons (lack of proof of ownership and/or confiscation of the property in question). In addition, we have questions about the transparency of the government's claims resolution and compensation policies and procedures. Estrada responded that all policies and guidelines were available on the Office of Attorney General's website, www.pgr.gob.ni. He asserted that the property claims resolution process was available to the public, noting that he published the guidelines and policies on the Attorney General's website in 2007.

[1](#)5. Action Request: Please confirm that the review will take place

December 4-5 and the delegation will be led by WHA/CEN Office Director Christopher Webster. We understand that the delegation will include Heather Goethert of EEB/IFD/OIA, Office of Legal Affairs Assistant Legal Advisor Jeff Kobar, and Jennifer Landsidle of the Office of Legal Affairs' International Claims and Investment Disputes division.

RESOLUTION OF MORE CLAIMS

¶16. (SBU) The Ambassador urged Estrada to quicken the pace of claim resolution. Estrada responded that he and his staff were working diligently, but that with a staff of just 11 people and a limited budget, there was only so much that could be done. The Ambassador suggested that more meetings and more frequent direct contact at the working level would help. Estrada countered that contact at the working-level staff was currently sufficient. He worried about the possibility of corruption and favoritism should his staff become too friendly with legal representatives of U.S. citizens, something that he alleges took place during the Chamorro, Aleman, and Bolanos governments (Refs B, C, D).

RESPONDING TO CONGRESSIONAL INQUIRIES AND PURSUING CLAIMS UNDER GON CONTROL

¶17. (SBU) The Ambassador passed Estrada a list of claims recently receiving U.S. congressional attention, namely citizens Domingo Calero, Mary Ruth Silva, Fidelina Arauz and Uri Kollnesher. The Ambassador then inquired about the status of properties of U.S. claimants under government control. Estrada responded that President Ortega had created an ad hoc committee to resolve such claims (Ref E). He added that he had good personal relationships with the police and affected ministries which he would call upon to resolve these claims.

COMMENT

¶18. (SBU) While cordial throughout the meeting, Estrada frequently misrepresented basic facts about the GON's policies and procedures. He exaggerated the extent of transparency surrounding the resolution of and compensation for property claims. He misstated the legal basis for the threshold he applies to claimants when it comes to providing proof of ownership or of confiscation. He overstated the level of cooperation between Embassy and GON working-level staff. These are all issues that we will want to raise in the bilateral review we plan to schedule for December 4-5.

CALLAHAN